



## **Balboa Capital Survey Reveals 8 in 10 Small Business Owners Plan to Use the Section 179 Deduction**

*A substantial majority, 83 percent, of small business owners say they will elect the Section 179 tax deduction for eligible business equipment that was purchased or financed in 2019.*

COSTA MESA, CA, DECEMBER 11, 2019 – Balboa Capital, a leading online lender that specializes in small business loans and equipment financing, conducted its annual Section 179 tax deduction survey to assess small business owners’ knowledge and usage of this Internal Revenue Code. The survey results reveal that a substantial majority of small business owners, 83 percent, plan to use Section 179 to deduct the cost of eligible business equipment that was purchased or financed, and put into business use in 2019. Additionally, 58 percent of small business owners intend to claim first-year bonus depreciation for qualifying equipment used for business purposes. Balboa Capital’s Section 179 survey was sent to a sample of small business owners nationwide during the first week of December 2019.

“A sizeable number of small business owners are acquiring business equipment, vehicles, and technology so they can expense it under Section 179,” said Saul Farooqui, Branch Manager at Balboa Capital. “This business-friendly tax incentive is a key driver of capital equipment purchases because it allows business owners to deduct the full purchase price of eligible new or used equipment up front, which allows for more immediate tax savings.”

Results of Balboa Capital’s 2019 Section 179 Survey:

- 65 percent of SBOs are familiar with Section 179, a 2 percent decrease from 2018.
- 83 percent of SBOs plan to use Section 179 to deduct the cost of business equipment that was purchased or financed in 2019, a 3 percent increase from 2018.
- 50 percent of SBOs are familiar with the Section 179 first-year bonus depreciation provision.
- 58 percent of SBOs plan to use the first-year bonus depreciation provision for qualifying equipment that was purchased or financed in 2019, a 6 percent decrease from 2018.
- Business vehicles topped the list of equipment that SBOs purchased in 2019, followed by computers, office equipment, printing equipment, machinery, and cloud software.
- 50 percent of SBOs said they would have bought or financed more equipment in 2019 if they knew the Section 179 tax deduction limit was \$1 million, a 20 percent increase over 2018.
- 15 percent of SBOs did not purchase or finance any business equipment in 2019.
- 68 percent of SBOs plan to invest in new or upgraded equipment during the first few months of 2020, an 8 percent increase from 2018.
- When asked how they will learn more about Section 179, 52 percent of SBOs said they would conduct research online, a 22 percent increase over 2018. 43 percent of SBOs will talk to an accountant or tax specialist to learn more about Section 179, a 20 percent decrease from 2018.

With only a couple of weeks remaining in 2019, Balboa Capital is ready to assist small business owners during the busy holiday season. “Our company is getting a substantial amount of online applications



from new and existing customers who need fast access to capital so they can meet the Section 179 deadline, which is December 31, 2019. Each of our sales divisions is ready to meet the time-sensitive demands of business owners nationwide," said Mr. Farooqui.

**About Balboa Capital**

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <http://www.balboacapital.com>.